

Verde Energy USA's Contract Summary

Electric Generation Supplier Information	Verde Energy USA, Inc. ("Verde") 12140 Wickchester Ln., Suite 100, Houston TX 77079 800-388-3862 Monday – Friday 8 A.M. to 6 P.M. EST. www.verdeenergy.com Verde is responsible for generation (supply) charges
Price Structure	The generation charge is fixed for 12 Months.
Generation/Supply Price	7.89¢ per kWh Plus \$0.00 per month.
Statement Regarding Savings	The generation charge may not always provide savings to the Customer.
Deposit Requirements	Verde does not require a deposit for its service.
Incentives	Your plan may include enrollment incentives.
Contract Start Date	This Agreement will start when the EDC completes Customer's enrollment with Verde.
Contract Term/Length	12 Months.
Cancellation/Early Termination Fees	\$0.00
Renewal Terms	If you have a fixed term contract approaching the expiration date, or whenever we propose to change the terms of service in any type of contract, you will receive two separate written notifications. The first notice will be sent 45 to 60 days prior to, and the second notice will be sent at least 30 days prior to, the expiration date of the fixed term contract or the effective date of the proposed change in terms. These notifications will explain your options going forward.
Electric Distribution Company Information	PECO 1-800-841-4141 www.peco.com PECO is responsible for distribution charges, as well as any emergencies/outages/etc.

Disclosure Statement for Verde Energy USA, Inc.

This is an Agreement for electric generation services between Verde Energy USA, Inc. (“Verde”) and you (“Customer”), which includes an agreement to ARBITRATION for any and all disputes between Customer and Verde:

Background:

- Verde is licensed by the Pennsylvania Public Utility Commission to offer and supply electric generation services in Pennsylvania. Verde’s PUC license number is A-2010-2151038.
- Verde sets the generation prices and charges that Customer pays. The Public Utility Commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.
- Customer will receive one bill from your Electric Distribution Company (“EDC”) for Verde’s charges and EDC’s charges. Payment is due to the EDC in accordance with its standard billing practices.
- Right of Rescission – Customer may cancel this Agreement at any time before midnight of the third business day after receiving this disclosure by contacting Verde by phone at 800-388-3862 or in writing at 12140 Wickchester Ln., Suite 100, Houston TX 77079.

Definitions:

- Generation Charge - Charge for production of electricity.
- Transmission Charge - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.
- Local Distribution Company (LDC) - A gas or electric corporation owning, operating or managing electric or gas facilities for the purpose of distributing gas or electricity to end users.

Terms of Service:

- 1. Basic Service Prices:** Verde will supply electricity to Customer at a 100% renewable fixed generation price 7.89¢ per kWh Plus \$0.00 per month for 12 Months of service. Verde will purchase and retire renewable energy certificates (“RECs”) or attributes to ensure that an amount equal to 100% of Customer’s electricity usage is generated by renewable sources. This price includes transmission charges and estimated total state taxes, including the Gross Receipts tax, but excludes applicable state and local sales taxes as well as any new taxes imposed. Customer shall also pay and be responsible for all other amounts related to the purchase and delivery of electricity, including applicable taxes and delivery charges.
- 2. Length of Agreement:** Verde is authorized to switch Customer’s supplier for the generation service charge. The Agreement will start when the EDC completes Customer’s enrollment with Verde. This Agreement will continue for a fixed term of 12 Months unless cancelled by either Customer or Verde in accordance with Section 4.
- 3. Renewal Provisions/Agreement Expiration:** If Customer has a fixed term contract approaching the expiration date, or whenever Verde proposes to change the terms of service in any type of contract, Customer will receive two separate written notifications that precede either the expiration date or the effective date of the proposed changes. These notifications will explain Customer’s options going forward.
- 4. Cancellation Provisions and Fees:**
If you cancel or terminate this Agreement prior to the end of the Term you will pay an early termination fee of \$0.00. If you contact your utility to discontinue service at your current location, and initiate a request for service at a new location within the same utility’s service territory to begin within three days of your existing service, and you are otherwise eligible under the utility’s rules, you are entitled to a seamless move and Verde will remain your Electric Supplier and the existing terms and conditions of this Agreement will continue to apply. Verde will not send you a new move letter. If you relocate outside of the utility’s service territory or your transfer of service fails to meet your utility’s seamless move eligibility requirements, then you may cancel this Agreement without penalty. You will be responsible for amounts due, up to the switch date, for all outstanding charges incurred for services prior to cancellation or termination of this Agreement. If you default in the prompt payment of amounts due under this Agreement, you will be liable for any and all fees or charges, including reasonable attorney fees and court costs, incurred in connection with the collection of delinquent balances. Verde may use the services of debt collection agencies, consumer-reporting agencies, and other remedies as allowed by law to collect any unpaid balances on your account.

You will be assessed a fee of \$30.00 for payments returned for insufficient funds or credit card transaction not processed due to insufficient funds or credit availability by any method of payment including, but not limited to, bank or personal check, automatic payment plan account deduction or credit/debit card.

You may cancel this agreement without penalty any time before midnight of the third business day after you received this Contract Summary and Terms of Service. After such third business day, you may cancel this Agreement at any time by calling Verde by phone at 1-800-388-3862, in writing at 12140 Wickchester LN, Suite 100, Houston TX 77079, or electronically at customer@verdeenergy.com but you will be required to pay the early termination fee described in the Contract Summary above, if applicable. You will be responsible for all payments due hereunder until the cancellation of electric generation service is completed. If for any reason Verde is no longer able to economically continue this Agreement, Verde may terminate this Agreement at any time after complying with applicable regulations. This Agreement may be cancelled at the sole discretion of Verde if you fail to meet any of the terms and conditions of this Agreement or if any of the information you have provided to Verde is or becomes untrue. If this Agreement is cancelled, expires, or otherwise terminated, you will receive uninterrupted service from the LDC until you designate another provider or electric generation service or service is shut off by the LDC. Only the LDC may shut off your electric supply. If Verde cancels this Agreement for any reason other than for Customer non-payment, Verde will follow applicable rules in providing notice to Customer. The cancellation will become effective when the LDC switches Customer's account from Verde to the new supplier selected by Customer, to the LDC or to such other default provider established for Customer's account. Cancellation will not relieve Customer of any payment obligations for electric provided to Customer by Verde prior to cancellation.

5. Rewards, Bonuses and/or Incentives Program Terms. Rewards, Bonuses and/or Incentives are subject to the following terms and conditions.

For purposes of receiving any rewards, bonuses and/or incentives, active accounts are defined as those (i) that are billing more than \$0 and (ii) for which we have not received a request to discontinue (drop) service or change programs and (iii) are in good standing (no past-due balance owed) during the minimum required number of days stated in the offer.

Rewards, bonuses, and/or incentives are also subject to the rewards, bonuses, and/or incentives' terms and conditions stated in the offer and as may be located on our website(s) and those terms and conditions in the Terms of Service between Verde Energy and you, including, but not limited to, all terms related to dispute resolution, **in addition to the terms and conditions set forth herein**. More information on the terms and conditions of any reward, bonus, and/or incentive programs are available by calling 1-800-388-3862. Verde Energy reserves the right to disqualify any account holder from participation in rewards, bonuses and/or incentives' programs.

- 6. Customer Relocation:** When Customer moves from one location to another, even if the move is within an EDC's service territory, this Agreement is cancelled, regardless of whether the Customer provides notice or not. If Customer moves to a new address within Verde's service territory, Customer may contact Verde in order to re-enroll at the new location.
- 7. Non-Payment:** If Customer's electric service is terminated by the EDC, then this Agreement is cancelled on the date that Customer's electric service is terminated. Customer will owe Verde for amounts unpaid up to the date of cancellation.
- 8. Dispute Procedures:** Customer may contact Verde regarding this Agreement or any dispute related to this Agreement. Verde will attempt to resolve the dispute in an efficient, fair and timely manner. Customer may also contact the Pennsylvania Public Utility Commission at 800-692-7380 if Customer is not satisfied after discussing this Agreement with Verde.
- 9. Changes to Agreement:** Verde may change, modify or amend this Agreement at any time. Whenever Verde proposes to change the terms of service in any type of contract, Customer will receive two separate written notifications that precede the effective date of the proposed changes. These notifications will explain Customer's options going forward.
- 10. Assignment:** Verde may assign this Agreement or the revenues or proceeds due it hereunder: (a) in connection with any financing; (b) to any of its affiliates; (c) to anyone succeeding to all or substantially all of Verde's assets or business in the Commonwealth of Pennsylvania; or (d) to another supplier licensed by the Pennsylvania Public Utility Commission. This Agreement is binding upon Customer and Verde, and each party's heirs, successors and permitted assigns. Customer will receive a 30-day notice prior the assignment of this Agreement.
- 11. Warranty Disclaimer:** VERDE EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

12. LIMITATION OF LIABILITY: NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL (INCLUDING LOST PROFITS OR REVENUE), INCIDENTAL, OR PUNITIVE DAMAGES FOR CLAIMS ARISING UNDER THIS AGREEMENT.

13. Force Majeure: Neither party shall be liable to the other for any delay or failure to perform caused by an event of Force Majeure. "Force Majeure" means events beyond a party's reasonable control, including, without limitation, acts of God, strikes, terrorism, wars, lightning, hurricanes, blizzards, floods, civil disturbances, shortages, unavailability of transmission facilities, and actions of any governmental authority or the EDC that materially impair a party's ability to perform.

14. Entire Agreement: This Agreement sets forth the entire agreement between Customer and Verde and supersedes any oral or written statements made in connection with this Agreement. This Agreement is governed by the laws of the Commonwealth of Pennsylvania.

15. Contact Information:

For questions concerning rates, service initiation, or service cancellation, Customer may contact **Verde** using the contact information below:

Customer Service:	800-388-3862 Monday – Friday 8 A.M. to 6 P.M. EST.
Address:	12140 Wickchester LN, Suite 100 Houston, TX 77079
Internet Address:	www.verdeenergy.com

Electric Distribution Company/ Provider of Last Resort. For any service question or in the event of an emergency, such as a power failure or a downed power line, Customer should contact:

PECO:	1-800-841-4141
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Pennsylvania Public Utility Commission:

Choice Hotline Number:	800-692-7380
Address:	P.O. Box 3265 Harrisburg, PA 17105-3265

Customer may enroll and request general information about the Universal Service Program by calling the EDC:

PECO:	1-800-774-7040
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16. Governing Law: Except as provided in Paragraph 17 below, this Agreement is governed by the laws of the Commonwealth of Pennsylvania, without regard to its choice of law principles.

17. Agreement For Mandatory Arbitration & Class Action Waiver (the "Arbitration Agreement"):

Scope of the Arbitration Agreement. Any legal dispute between the parties concerning or arising out of Customer's enrollment, purchase, this Agreement, or the relationship between the parties ("Dispute") shall be resolved by one arbitrator through binding arbitration using the process explained below. The parties understand and agree that they are waiving their rights to sue or go to court to assert or defend their rights. However, either party may bring an individual claim in small claims court consistent with the jurisdictional and dollar amount limitations that may apply, so long as maintained as an individual claim. The term "Dispute" refers to any dispute, action, claim, or other controversy between the parties, whether in contract, warranty, tort, statute, regulation, ordinance, or any other legal or equitable basis.

Informal Dispute Resolution. Either party asserting a Dispute shall first try in good faith to resolve it by providing written notice as specified below to the other party describing the facts and circumstances (including any relevant documentation) and allowing the receiving party 30 days in which to respond. Notice shall be made by first class or registered mail (1) to Verde at 12140 Wickchester Ln., Suite 100, Houston TX 77079 or (2) to Customer at the postal address on file with Verde. Both Customer and Verde agree that this dispute resolution procedure is a condition precedent which must be satisfied before initiating any arbitration against the other party.

Right to Opt Out of this Arbitration Agreement. Customer may opt out of this Arbitration Agreement within the first 30 days after the earlier of the first time Customer (a) enrolls and begins purchasing services from Verde; or (b)

signs up for any further program or service provided by Verde. Customer may also opt out of this Arbitration Agreement within 30 days after Verde notifies Customer regarding a material change to this Arbitration Agreement. Customer may opt out by sending an email to Verde at customercare@verdeenergy.com or by sending a letter to 12140 Wickchester Ln., Suite 100, Houston TX 77079. Customer should include Customer's printed name, mailing address, and the words "Reject Arbitration."

How Arbitration Works. Either party may initiate arbitration, which shall be conducted by the American Arbitration Association ("AAA") under the AAA Commercial or Consumer rules, as applicable, in effect at the time the claim is filed ("AAA Rules"). For information on how to file a claim, copies of the AAA Rules and forms can be located at www.adr.org, or by calling 1-800-778-7879. Arbitration shall take place in the county of Customer's residence, as determined by Customer's mailing address on file with Verde. Verde agrees to pay or reimburse all costs associated with any arbitration between the parties, including filing fees and arbitrator fees, and agrees to waive any right to recover an award of attorneys' fees and costs against Customer. The arbitrator's decision shall be final, binding, and non-appealable. Judgment upon the award may be entered and enforced in any court having jurisdiction.

Waiver of Right to Bring Class Action & Representative Claims. All Disputes, whether resolved informally, in small claims court, or through arbitration, shall be brought on an individual basis. Disputes must be brought in the party's individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding ("Class Action"). The parties expressly waive any ability to maintain any Class Action in any forum, and the arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any entity or person not a party to the arbitration. Any claim that all or part of this Class Action waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE THEIR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION, HOWEVER, THEY UNDERSTAND AND CHOOSE TO HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION.

Governing Law. This Arbitration Agreement shall be governed by the Federal Arbitration Act and interpreting federal law. To the extent state law applies to any aspect of this provision or the claim, the laws of the Commonwealth of Pennsylvania, without regard to its choice of law principles, shall apply. Neither party shall sue the other party other than as provided herein or for enforcement of this Paragraph 17 or of the arbitrator's award; any such suit may be brought only in the federal court encompassing the county where the arbitration took place, or if any such court lacks jurisdiction, in any state court that has jurisdiction. The arbitrator, and not any federal, state or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Arbitration Agreement including any claim that all or any part of the Arbitration Agreement is void or voidable. However, the preceding sentence shall not apply to the clause above entitled "Waiver of Right to Bring Class Action & Representative Claims."

- 18. Privacy:** Verde's Privacy Policy governs the way Verde uses Customer's personal information. To review or obtain the current version of the Privacy Policy, please visit Verde's website at www.verdeenergy.com; email us at privacy@verdeenergyusa.com; or write to us at Privacy Policy Coordinator, Verde Energy USA, Inc., 12140 Wickchester Ln., Suite 100, Houston TX 77079. In general, Verde uses Customer's personal information to allow Verde to provide the products and services that Customer has chosen and to manage and develop Verde's business and operations, including informing Customer of products and services that carefully-selected third parties offer that may be of interest to Customer. Unless Customer contacts Verde and notifies Verde otherwise, by accepting electric service from Verde Customer consents to Verde collecting, retaining, using and disclosing Customer's personal information in accordance with the Privacy Policy.
- 19. Information Release and Authorization, Credit Review.** By accepting the Agreement, you authorize Verde Energy to obtain information from the LDU through the Term including, but not limited to, account name, account number, billing address, service address, telephone number, standard offer service type, historical and future electric usage, rate classification, meter readings, characteristics of electric service, and billing and payment information. You (and your signatory, if signatory is noted as your spouse/civil union partner) agree to Verde Energy obtaining a credit report and investigating your (and, if applicable, signatory's) credit rating, credit history and Utility bill payment status and history. We are not obligated to accept, or continue performing, this Agreement if you do not meet our credit requirements. You further authorize Verde Energy to release that information to third parties who need to use or be aware of such information in connection with my electric service under the Agreement, as well as to Verde Energy's affiliates and business partners for marketing purposes. You further authorize Verde Energy, its affiliates, and its third party vendors, including marketing vendors, to communicate with you at the contact information included in your enrollment or contact information received at any time during the relationship of the parties, for future communications, including but not limited to communications through telephone call, voicemail, text message, pre-recorded message and electronic mail. By signing (including by voice or electronic affirmation or adoption) or otherwise accepting the Agreement and providing your phone number, you authorize Verde Energy to cause the transmission of up to 15 text messages per month to the

phone number you provide using an autodialer. Consent is not a condition of purchase. Message and data rates may apply. Text STOP to withdraw consent. Text HELP for help. These authorizations shall remain in effect as long as the Agreement (including any renewal) is in effect and for two years thereafter. You may rescind these authorizations at any time by either calling Verde Energy at 1-800-388-3862 or providing written notice to Verde Energy. Verde Energy reserves the right to reject your enrollment or terminate the Agreement if you fail to meet minimum or maximum threshold electric consumption levels as determined by Verde Energy.

20. Written Notice. Written notice includes, but is not limited to, notice by electronic mail to a valid e-mail address provided by you. By entering into this Agreement you authorize us to send written notices to you through electronic mail as permitted by rule and law. The decision to send written notices to you via electronic mail is at our sole discretion. If the e-mail address you provide to us at enrollment becomes invalid, you agree to timely provide us with an updated, valid e-mail address to which we will send written notices. You are solely responsible for providing us with a valid e-mail address.



VERDE ENERGY USA

100% RENEWABLE ENERGY OFFER

- **VERDE ENERGY** PROVIDES ITS CUSTOMERS WITH 100% RENEWABLE ENERGY BY PURCHASING RENEWABLE ENERGY CERTIFICATES (RECs)
- RECs ARE CREATED WHEN ELECTRICITY IS GENERATED BY RENEWABLE ENERGY RESOURCES. THESE RENEWABLE ENERGY RESOURCES CAN INCLUDE POWER SOURCES SUCH AS SOLAR, WIND, HYDRO, BIOMASS, LANDFILL GAS AND OTHER RENEWABLE POWER SOURCES
- WHEN **VERDE ENERGY** PURCHASES THESE RECs THE RELATED FUNDS DIRECTLY SUPPORT THE OPERATION AND EXPANSION OF RENEWABLE ENERGY RESOURCES
- **VERDE ENERGY** COMPLETES A PERIODIC AUDIT TO ENSURE THAT IT PURCHASES ENOUGH RECs TO PROVIDE 100% RENEWABLE ENERGY TO ITS CUSTOMERS UNDER THIS OFFER

[verdeenergyusa](http://verdeenergyusa.com)

1-800-388-3862

www.verdeenergy.com